

REMARKS

Claims 1-15 were originally presented in the subject application. Claims 1-15 were cancelled and claims 16-47 added in a Response dated August 4, 2004. Claims 16, 20, 28, 33, 34, 36, 40, 41 and 47 were amended in a Preliminary Amendment filed April 8, 2005, with a Request for Continued Examination. Claims 21, 37 and 44 were canceled without prejudice, and claims 16, 19, 28, 32, 34, 35, 41 and 42 amended in a Response dated October 27, 2006. Claims 16, 22, 25, 33, 34, 40, 41 and 45-47 were amended in a Response filed May 9, 2007, with a Request for Continued Examination.

Claims 16, 19, 20, 28, 32, 33, 34-36, 40, 41-43 and 47 have herein been amended to more clearly point out and distinctly claim the subject invention. No claims have herein been canceled or added. Therefore, claims 16-20, 22-36, 38-43 and 45-47 remain in this case.

The addition of new matter has been scrupulously avoided. In that regard, support for the common amendment to the claims can be found in the specification at, for example, page 12, lines 8-10.

35 U.S.C. §103 Rejection

The Office Action rejected claims 16-20, 22, 25, 28-36, 38-43 and 45-47 under 35 U.S.C. §103(a), as allegedly obvious over Rikuna (U.S. Patent No. 4,752,678) in view of Nakamura et al. (U.S. Patent No. 5,917,168). Applicants respectfully, but most strenuously, traverse this rejection as it applies to the amended claims.

Amended claim 16 recites: a method of controlling card holder verification. The method comprises checking the presence of a trusted association between at least one device and a card usable with the at least one device, the checking comprising comparing by one of the card and the at least one device a first identifier stored on the card with one or more identifiers stored in the at least one device. If the checking indicates the presence of the trusted association, then card holder verification is performed separate from the comparing using the card and without a holder of the card providing information by providing another identifier to the card from the at

least one device for comparing by the card to a second identifier stored on the card that is different from the first identifier, otherwise, if the checking indicates no trusted association, then involving the holder of the card in performing card holder verification by the card.

Against, for example, the comparing aspect of claim 16, the Office Action cites to Rikuna at column 8, lines 5-27. The cited section of Rikuna describes a process whereby a Primary Account Number (PAN) is compared with an encrypted version thereof (EN-PAN) within the terminal. However, both the PAN and EN-PAN are stored on and come from the first card. The only thing coming from the terminal is the key for decrypting the EN-PAN, which is not the thing being compared to the PAN.

In contrast, claim 16 recites “comparing ... a first identifier stored on the card with one or more identifiers stored in the at least one device[.]” Thus, one of the items being compared in the checking aspect of claim 16 is from the card, while the other item is from the device(s). However, in Rikuna, both items being compared are from the card.

As another example, against the performing aspect of claim 16, the Office Action cites to Rikuna at column 8, lines 38-45. That section of Rikuna describes comparing the PIN keyed in by the card holder to a PIN stored on the first card. It is important to note that according to FIG. 6 of Rikuna (see step A3), which describes the overall process, the PIN is always entered into the second card by the card holder before inserting into the terminal. Reading the cited section in conjunction with the overall description, it is clear that if the PIN is already present in the terminal, then the one stored in the terminal is used, rather than the one input by the card holder. However, the PIN is nevertheless always entered by the card holder.

There is no disclosure, teaching or suggestion of the card holder not inputting the PIN. Moreover, given that the check for an existing PIN in the terminal is not done until after the PIN is entered by the card holder into the second card and the second card inserted into the terminal, it follows that the PIN would always be entered. Thus, Rikuna cannot teach or suggest comparing without involving the holder of the card, because the holder of the card is always involved in the sense of having to input their PIN. To emphasize this point further, claim 16 has been amended to recite that card holder verification (in the presence of a trusted association) is

done without a holder of the card providing information. (See also claims 20, 36 and 43, more specifically reciting the card not providing a PIN.) The present invention eliminates the need for repetitive information entry by not involving the holder of the card where a trusted association is present, instead involving the holder of the card in card holder verification if there is no trusted association.

Against the aspect of involving the holder of the of the card in performing card holder verification if the checking indicates no trusted association, the Office Action cites to Nakamura. The Office Action alleges Nakamura requires a PIN only when the transaction exceeds a preselected floor. However, Applicants respectfully submit that the amount of a transaction cannot fairly be equated to checking for a trusted association, since there is no trust aspect to a transaction amount. Applicants submit it is simply that the risk of a smaller amount being fraudulent is being accepted, rather than a smaller amount indicating any kind of a trusted association. Moreover, there is no checking for a trusted association in such a case in Nakamura.

Therefore, for at least the reasons noted above, Applicants submit that claim 16 cannot be rendered obvious over Rikuna in view of Nakamura et al.

Amended claims 33, 34, 40, 41 and 47 each contain limitations similar to those noted above with respect to claim 16. Thus, the remarks above are equally applicable thereto. Therefore, those claims also cannot be made obvious over Rikuna in view of Nakamura et al.

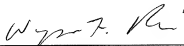
CONCLUSION

Applicants submit that the dependent claims not specifically addressed herein are allowable for the same reasons as the independent claims from which they directly or ultimately depend, as well as for their additional limitations. In addition, Applicants do not acquiesce to any allegations made in the Office Action that may not have been specifically refuted herein apart from their corresponding independent claims.

For all the above reasons, Applicants maintain that the claims of the subject application define patentable subject matter and earnestly request entry of these remarks and allowance of claims 16-20, 22-36, 38-43 and 45-47.

If a telephone conference would be of assistance in advancing prosecution of the subject application, Applicants' undersigned attorney invites the Examiner to telephone him at the number provided.

Respectfully submitted,



Wayne F. Reinke  
Attorney for Applicants  
Registration No.: 36,650

Dated: November 20, 2007.

HESLIN ROTHENBERG FARLEY & MESITI P.C.  
5 Columbia Circle  
Albany, New York 12203-5160  
Telephone: (518) 452-5600  
Facsimile: (518) 452-5579